

LAKEHAVEN UTILITY DISTRICT  
King County, Washington

REGULAR BUSINESS MEETING  
April 22, 2010

A regular meeting of the Board of Commissioners of the Lakehaven Utility District, King County, Washington, was held on April 22, 2010 at Lakehaven Center, 31531 First Avenue South, Federal Way, Washington 98003.

Commissioner Englund called the meeting to order at 6:00 p.m. and led the flag salute. Members/officials present were as follows:

Leonard Englund	Secretary
Charles Gibson	Commissioner
Edward Stewart	Commissioner
Don Perry	General Manager
John Bowman	Engineering/Water Manager
Steve Pritchett	General Counsel
Morgan Dennis	Director of Finance/Information System

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **excused** Commissioners Miller and Nowicki from the meeting.

APPROVAL OF AGENDA

Steve Pritchett requested to add Action Item No. 4, Leased Capacity Rental, to the agenda.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the agenda as amended.

CONSENT ITEMS

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** the Consent Items as presented below.

1. S. 352<sup>nd</sup> St. Extension Project (SR 161 to SR 99) ILA;
2. Field Operations Surplus Property; Resolution No. 2010-1155;
3. Lakota Water to Water Heat Pump Analysis; and
4. Accounts Payable Vouchers and Payroll Transactions with the warrant dates of 4/12/10, 4/13/10, 4/14/10, 4/15/10, 4/20/10, 4/21/10, and 4/22/10.

**Maintenance Fund No. 11-333-0510**

4/13/10 Voucher no. 20477, total amount of \$532.94;

4/14/10 Voucher nos. 20478-20543, total amount of \$113,207.34;

4/20/10 Voucher nos. 20549-20550, total amount of \$7,365.79;

4/21/10 Voucher nos. 20551-20622, total amount of \$192,960.21.

**Construction Fund No. 11-333-3510**

4/15/10 Voucher nos. 20544-20548, total amount of \$45,568.74;

4/22/10 Voucher nos. 20623-20629, total amount of \$37,544.95.

**Payroll – Fund No. 11-333-0530 4/12/10 4/26/10**

Warrants: \$ 0.00 820.86

Direct Deposits: \$ 217,057.68 199,139.99

Benefit Warrants: \$ 158,879.94 58,553.57

(voucher nos. 20462-20476 and 20630-20643)

Withholding/FICA \$ 93,369.37 83,041.46

Total Amount of: \$ 469,370.26 341,617.69

**ACTION ITEMS**

**#1, Public Works Trust Fund (PWTF) Greenhouse Gas; Resolution No. 2010-1156:** Don Perry reported in order to obtain Public Works Trust Fund (PWTF) loans, all agencies applying for loans must submit a copy of their Resolution/Policies adopting goals to reduce greenhouse gas emissions. These are all guidelines that the District has been practicing, and he is requesting that the Board consider approving Resolution No. 2010-1156.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **adopted** Resolution No. 2010-1156, adopting greenhouse gas emissions goals.

**#2, Financing Options for Green River Filtration Project:** Don Perry reported at the special board meeting on April 15<sup>th</sup> on the financial options for the Green River Filtration Project and the Board asked that an executive summary be made available at the next Board Meeting.. Mr. Perry reviewed the summary statement and Exhibit A, Projected Cash Flow Needs for Green River Filtration Project, with the Board. He reported he is looking for the Board to support the recommendation that the District not join in the Regional Water Supply System (RWSS) bond sale proposed by Tacoma, which would sell bonds this year. He believes it would be better for the District to wait until the issues noted in the executive summary become clearer and the District is able to demonstrate a better coverage factor in 2012.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** of the General Manager notifying Tacoma and other partners on the Green River Filtration Project that the District will not be participating in a

Regional Water Supply System (RWSS) bond issue this year, but is reviewing options if a bond issue is performed for the RWSS in 2012.

**#3, Franchise Agreement with City of Federal Way:** Steve Pritchett reported that the City approved the Franchise Agreement at the City Council meeting on April 20<sup>th</sup>. He has attached Resolution No. 2010-1157 for the Commissioners' signatures approving the Franchise Agreement. Commissioner Gibson thanked John Bowman, Steve Pritchett, Gene Yoder and other staff for all their effort in helping reach this agreement with the City.

Upon motion of Commissioner Stewart, which was duly seconded by Commissioner Gibson, the Board unanimously **adopted** Resolution No. 2010-1157, approving the Franchise with the City of Federal Way and authorizing the General Manager to execute its acceptance on behalf of the District.

Commissioner Nowicki asked that Steve Pritchett express his acceptance of this agreement even though he wouldn't be at the meeting to vote.

**#4, Leased Capacity Rental:** Steve Pritchett reported that this Action Item was added to the agenda as a follow-up on evaluation of the leased capacity rental program. He reported that Mr. Dennis has continued working with Brian Asbury on the issue of correct allocation of credits on a number of properties. Mr. Pritchett then reported on the meeting that Mr. Dennis, Commissioner Gibson and he had with a representative from Panther Lake Estates concerning the leased capacity rental program. Discussion was held on other issues that have come up that need further review and consideration. Mr. Dennis proposed to temporarily suspend the program until each of these issues are reviewed and corrected. Mr. Pritchett recommended that the Board temporarily suspend the leased capacity rental program until a reasonable resolution is found.

Upon motion of Commissioner Gibson, which was duly seconded by Commissioner Stewart, the Board unanimously **approved** to temporarily suspend the leased capacity rental program until a reasonable resolution to the issues is made.

#### INFORMATION ITEMS

**#1, DE Semi-Annual Status Report:** Tim Osborne handed out a revised Exhibit 7, Active Developer Extension Projects, as some of colors did not match the description. Mr. Osborne then reviewed Exhibit 8, DE Projects – Bi annual Summary and Comparison. He asked the Board if they had any comments or questions on this matter. Discussion was held on road construction to occur on Meridian. Don Perry commented that the District hasn't heard anything to date on the Sequoyah Middle School Project and this can be closed out. He also provided an update on the Wild Waves Water Slide Expansion. The Board thanked Mr. Osborne for the updates.

COMMITTEE REPORTS/COMMISSIONER COMMENTS

Commissioner Gibson reported that he met with the Panther Lake Apts. representative and attended a couple of City meetings on the Franchise. He also mentioned that he volunteered to be a representative on sea lettuce on Dumas Bay.

Commissioner Englund reported that he and Commissioner Gibson will be attending the AWC Labor Conference next week in Yakima.

John Bowman reported he provided a handout of reports from the Board Ops Committee.

STAFF REPORTS

**General Counsel:** Mr. Pritchett reported he was preparing to have a closed meeting in May with the Board to plan and review early collective bargaining. He further reported that he has retained a condemnation attorney on Pump Station 33 property acquisition matter.

**Director of Finance/Information Systems:** Mr. Dennis reported that he spoke to a representative from King County and they are going to allow us to stay in the investment pool and continue to provide cash management to us. They will be following up with a confirmation letter. He reported that he will be interviewing for a replacement of the Application Specialist, Will Kennedy's position, in a couple of weeks. He commented that while he is out of town Don Feierabend will be handing all network issues and Edith Lemieux will handle all finance matters.

**Engineering/Water Manager:** Mr. Bowman mentioned that staff is moving forward with replacement of the 1998 riding lawn tractor. As the lawn tractor fleet is ailing, they plan on replacing one tractor this year and possibly another next year.

**General Manager:** Mr. Perry reported that King County Executive is recommending a 10% increase in metro sewer rates. He also mentioned that the Howard Hansen Dam is filling up rapidly and has been running clear.

ADJOURNMENT

There being no further business to come before the Board, the meeting was adjourned at approximately 7:09 p.m.

ABSENT  
\_\_\_\_\_  
President Miller

\_\_\_\_\_  
Yea

\_\_\_\_\_  
Nay

\_\_\_\_\_  
Abstain

ATTEST:

<u>ABSENT</u>	<u>Yea</u>	<u>Nay</u>	<u>Abstain</u>
<u>Vice President Nowicki</u>			
 <u>Secretary Englund</u>	<input checked="" type="checkbox"/>		
 <u>Commissioner Gibson</u>	<input checked="" type="checkbox"/>		
 <u>Commissioner Stewart</u>	<input checked="" type="checkbox"/>		